

King County Interim Loan Program



King County
Housing and
Community
Development



The Interim Loan Program provides low-cost financing for the acquisition of property that will be developed to provide low income housing,



What is the Interim Loan Program?

The Housing and Community Development Program has created an Interim Loan Program to provide low-cost financing for the acquisition of property that will be developed to provide low-income housing to households at or below 50 percent of Area Median Income (AMI), including a portion of units for homeless households.

The program will prioritize projects proposing development of permanent affordable housing that includes at least 25 percent homeless housing units. The housing may be located anywhere in King County if it meets site criteria. The affordability of the units must be for households at or below 50 percent of AMI, with the target for homeless units to households at or below 30 percent of AMI.

The Interim Loan Program is designed for affordable housing developers that have solid development experience and a strong track record managing their project portfolio and meeting funder requirements, such as annual reporting.



What Does the Program Provide?

The Interim Loan Program will have an open application process at any time throughout the year

The interest rate on King County interim loans shall be three percent simple interest with accrued interest paid in full when the interim loan is repaid. Borrowers will have a maximum of five years to acquire permanent project financing before re-payment on the interim loan is due.

No more than one outstanding interim loan per borrower may be held at one time. Six million dollars will be the maximum amount available in the interim loan fund at any point in time.

Sign Language and communication material in alternate formats can be arranged given sufficient notice. Please call (206) 263-9010, or TDD/TTY (206) 296-7596 TTY Relay 711.

King County Interim Loan Program



Who is Eligible?

- Borrower has developed and operated at least three publicly funded capital projects in King County.
- Borrower is in good standing with local public funders, including being current with annual report submissions.
- All borrower's projects are current with any debt service including public funder loan payments, taxes and insurance.
- All loans will be secured with a lien on the property acquired, and an affordability covenant agreement will be placed in first lien position.

Who is Eligible? (cont.)

- Site is zoned for proposed use, or the proposed use is compatible with the comprehensive plan of the jurisdiction where the site is located, and a letter of
- such compatibility from the appropriate jurisdiction is submitted.
- Site has a Phase I environmental study with no outstanding environmental issues.
- There is a current MAI appraisal (within six months of application) on the site that supports the amount of the interim loan.
- Site is suitable for proposed use and does not present adverse development constraints, in the judgment of the jurisdiction of the project site, such as critical areas, wetlands, environmental contaminants, steep slopes, etc.

Contact

Prior to submitting an application for a interim loan, the borrower must schedule a pre-application meeting with King County HCD staff, when it will be determined if the borrower can submit an application.

King County will be looking at Impact Capital as a potential co-lender wherever feasible, so this limited resource can be leveraged to the fullest extent. Contact Laurie Olson at (206) 658-2605 for information regarding Impact Capital's interim loan product.

For more information or to schedule a meeting contact:

Vincent Tom at 206 263-9079 or vince.tom@kingcounty.gov

Sign Language and communication material in alternate formats can be arranged given sufficient notice. Please call (206) 263-9010, or TDD/TTY (206) 296-7596 TTY Relay 711.